



U.S. Trade and Development Agency



Eskom Holdings Limited



US Commercial Service

US-South Africa Power Industry Supplier Conference

Building Partnerships to Power South Africa

Eskom Convention Center • Midrand, Johannesburg, South Africa • October 16 – 19, 2006

Fact Sheet

BACKGROUND:

The United States Trade & Development Agency (USTDA), in partnership with Eskom, South Africa's Electric Utility Company, and the United States Commercial Service (USCS) are sponsoring a conference for American power industry suppliers in Johannesburg, South Africa October 16-19, 2006.

The purpose of the conference is to acquaint U.S. engineering firms, major equipment manufacturers, and material suppliers with a number of power generation and transmission projects being developed by Eskom, Sasol, industrial co-generators and Independent Power Producers (IPPs). In addition to detailed briefings covering over 35 major projects, a number of U.S. companies will be invited to present their latest technologies.

Approved investments in South Africa's electric power infrastructure are significant by any measure. Eskom alone has approved projects totaling \$14.9 billion over the next five years. The government has estimated that in order to keep pace with South Africa's current rate of economic growth, the country will require an additional 2,000 MW per year for the next twenty years. In addition to Eskom's mandate to provide at least 70% of this capacity, the Government of South Africa is seeking IPPs to make up at least 30% of the country's new power generation needs.

At their last board meeting, Eskom approved:

- A grass-roots \$4.0 billion - 2,250 MW coal fired power plant;
- A \$1.3 billion - 1,332 MW pumped storage facility;

- A new \$920 million transmission line from Standerton to Cape Town;
- Two – open-cycle gas turbines with a capacity of 1,022 MW; and
- Re-commissioning of the Camden, Komati and Grootvlei power stations at total cost of \$1.8 billion returning 3,600 MW to service by 2010.

Eskom recognizes that the world-wide demand for power generation facilities and infrastructure is placing heavy demands on major equipment and material suppliers as well as engineering and construction service providers. By encouraging additional U.S. suppliers to enter the South African market, Eskom anticipates they can procure goods and services at a rate that will support the asset development program mandated by the Government of South Africa and approved by Eskom's Board of Directors.

With a very substantial annual net income and a bond rating that is superior to most sovereign governments, Eskom has the financial ability to meet the capital formation requirements of their asset development plan. With the support of U.S. engineering, construction and manufacturing capabilities, South Africa will generate the power needed to support their projected economic growth.

It is anticipated the conference will:

- Familiarize U.S. manufacturers and service providers with the details of projects being developed by Eskom, Sasol, industrial co-generators, and IPPs;
- Allow Eskom to explain their procurement policies, strategies, and requirements especially as they relate to Broad Based Black Economic Empowerment (BBBEE) and the

Accelerated and Shared Growth Initiative for South Africa (ASGISA);

- Acquaint U.S. firms with potential South African partners; and
- Promote information exchanges related to new technologies, plant design practices, project management techniques, and project development processes.

Pre-scheduled one-on-one meetings will also be arranged between U.S. companies and Eskom as well as South African government officials.

PROJECTS:

Detailed project profiles will be presented. These will include projects already approved for implementation. Project presentations and briefing materials will include project descriptions and technical characterizations, along with milestone schedules and contact information. S.H. Lucas & Associates, Inc, a Project Development Consultant, is preparing the briefing materials and selecting the technical papers to be presented by the U.S. companies and invited speakers.

CONFERENCE DATES & VENUE:

The conference will take place October 16-19, 2006 at the Eskom Convention Center in Johannesburg, South Africa.

ANTICIPATED ATTENDANCE:

It is anticipated that the conference will attract delegates from:

- Independent Power Producers;
- Architect-Engineering Firms;
- Major Equipment Manufacturers;
- Material Providers;
- Construction Management Firms; and
- Environmental Consultants.

In addition, representatives of U.S. Government departments and agencies, including USTDA Departments of State, Energy and Commerce, U.S. and multilateral financial institutions, and leading industry organizations will also attend. Total attendance is expected to exceed 100 participants.

SUPPORTING ORGANIZATIONS:

U.S. and South African industry organizations will be contacted to lend their support to this initiative for the benefit of their members.

SPONSORSHIP OPPORTUNITIES:

This conference provides a unique opportunity for U.S. companies to showcase their products and/or services to potential customers in South Africa. Sponsorship benefits include a tabletop display in the exhibit area, complimentary registration, on-site signage, pre-conference marketing recognition, and a corporate profile in the conference materials. U.S. companies should contact W. Daniel A. Lamey or Christopher Schaffer of MFM Group, Inc. for more information and the sponsorship prospectus.

OFFICIAL CONFERENCE WEB SITE:

The conference web site is:
www.trademeetings.com.

REGISTRATION:

The registration fee is US\$200 for all U.S. companies and financial institutions. Local companies from South Africa will be invited to participate in the conference to discuss US-South African partnership opportunities. The fee includes a copy of the **Project Resource Guide and CD, Conference Handbook, participant list, and all meals and receptions**, as noted in the conference program. **One-on-One meetings** will be pre-scheduled between U.S. companies, delegates and government officials and South African Government and Company officials.

ABOUT ESKOM:

Eskom is a vertically integrated operation that generates, transmits and distributes electricity. Eskom generates approximately 95% of the electricity used in South Africa.

Through its subsidiary Eskom Enterprises (Pty) Limited, Eskom also undertakes other non-regulated activities related to the energy and electricity supply industry, including the provision of electricity supply and related services to African countries connected to the South African grid and the rest of Africa.

Eskom received the Financial Times Global Energy award for Power Company of the Year 2001. Eskom walked away with the Community Development Programme of the Year award at the Global Energy Awards in New York in 2003.

ABOUT USTDA:

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

ABOUT USCS:

The U.S. Commercial Service in South Africa facilitates commercial exchanges between the U.S. and South Africa. It can assist South African partners find the right solutions for mining, generation and transmission technology requirements.

We provide a range of services to U.S. firms interested in doing business in South Africa. We can help you identify and find trade opportunities and local trading partners, provide market research and launch your company in the South African market. We have an active trade events schedule and can provide advocacy

support and export assistance to U.S. firms doing business in South Africa.

We also extend assistance to South African firms interested in importing U.S. products and services.

CONFERENCE CONTACTS:

MFM Group, Inc. is organizing and marketing the conference on behalf of USTDA. S.H. Lucas & Associates, Inc. is conducting project research and preparing the technical content and resource guide for the conference.

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